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Volume 13

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
JUNE 1969

Number 11

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JUNE 1969

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$5.88 and Excess Milk - \$4.39. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In June 1969, 70.3% of producer milk received by pool plants was priced in Class I at \$6.34 per cwt. and 29.7% was priced in Class II at \$4.39 per cwt. The June butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during June 1969 was 21,880,550 pounds which is an increase of 3,869,172 pounds or 21.5% compared with June 1968. Deliveries of producer Base milk exceeded producer milk used in Class I by 4,363,529 pounds or percentagewise only 77.9% of Base milk was used in Class I. The June daily average deliveries from 605 producers was 1,206 pounds. This compares to 537 farms delivering a daily average of 1,118 pounds per day during June 1968.

USDA ISSUES RECOMMENDED DECISION ON FILLED MILK

A recommended decision proposing amendments to the Chattanooga order to provide specific methods for regulating the dairy ingredients of filled milk was issued June 17, 1969. This action is the result of the national public hearings held during February, April, and May, 1968, in Memphis, Tennessee, and proposes amending all Federal milk orders except those not in effect at the time of the hearing. "Filled milk" is a beverage containing either fresh liquid skim milk or skim milk reconstituted from nonfat dry milk with added vegetable fat or oil in place of the natural butterfat.

The effect of the recommended decision would be as follows:

1. If fluid skim milk from producers under the orders was utilized in the product and sold in the marketing area, the present Class I use classification would be used.
2. If fluid skim milk from other than producer sources was used and sold in the marketing area, a payment would be required at the difference between the Class I price and the uniform (blend) price from the handler.
3. If reconstituted skim milk was used and the product was sold in the marketing area, a payment would be required at the difference between the Class I (bottled) price and the Class II (surplus) price from the handler.
4. If a producer handler would sell a filled milk product made from his own skim milk or purchased the product from a pool plant there would be no change in his status as a handler; however, if he uses reconstituted skim milk or unregulated milk for his product he would lose his exemption.
5. Various other changes are made in administrative provisions of the orders such as reporting requirements and allocation provisions. The pool plant provisions are changed so that the sale of filled milk would not be a basis for qualifying a plant under the order.

The recommended decision will be in the July 15 Federal Register and exceptions may be filed up to August 4, 1969 with the Hearing Clerk, U.S. Department of Agriculture, Washington, D. C. Copies of the recommended decision may be obtained from the Market Administrator's office.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% June '69 over June '68	June 1969	May 1969	June 1968
Number of Plants (Pool and Non-Pool)		17	17	11
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 21.5	729,352	813,647	600,379
Other Source	+ 31.8	34,235	40,302	25,971
Other Federal Orders	+ 67.6	288,764	257,690	172,320
TOTAL MILK RECEIPTS	+ 31.8	1,052,351	1,111,639	798,670
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 0.7	348,985	391,786	346,401
Skim - Regular	+ 2.3	19,902	22,016	19,456
Skim - 2% Milk	+ 85.2	76,102	79,559	41,082
Buttermilk	+ 4.6	47,594	49,738	45,496
Flavored Milk and Drink	+ 22.1	18,114	15,891	14,840
Creams (Sweet and Sour)	+ 3.4	3,083	3,482	2,983
Sub-Total - Pkg. Products (Pool Plants)	+ 9.3	513,780	562,472	470,258
Other (Shrinkage, Inventory, etc.)		4,081	4,718	1,491
Sales to Non-Pool Plants		125,015	127,105	58,975
In-Area Sales by Non-Pool Plants		54,501	53,861	2,947
TOTAL CLASS I MILK	+ 30.7	697,377	748,156	533,671
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 7.7	57,965	49,807	53,801
Cottage Cheese	+ 14.9	42,145	39,284	36,665
Powdered and Condensed Milk		76,239	78,857	84,492
Livestock Feed and Skim Dumped		4,696	6,022	7,717
Sub-Total - Used to Produce	- 0.9	181,045	173,970	182,675
Shrinkage Class II		14,703	13,353	12,721
Other (Inventory Variation, etc.)		19,199	(22,652)	19,157
Bulk Sales to Non-Pool Plants		140,027	198,812	50,446
TOTAL CLASS II MILK	+ 34.0	354,974	363,483	264,999
Class I Pkg. Lbs. in Area - Pool Plants	+ 50.1	415,499	466,338	276,763
Class I Pkg. Lbs. Out of Area - Pool Plants	- 49.2	98,281	96,134	193,495
Class I Pkg. Lbs. in Area - Non-Pool Plants		54,501	53,861	2,947
% Producer Milk of Gross Class I		104.6	108.8	112.5
% Producer Milk Priced in Class I		70.3	71.2	72.1

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$1090.51(a) Amended</u>	<u>July 1969</u>	<u>June 1969</u>	<u>July 1968</u>
Basic Formula	\$4.39	\$4.37	\$4.33
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.16	0.02	0.24
Class I Price, 3.5% Butterfat	\$6.50	\$6.34	\$6.52

JULY 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: April and May

Supply: Lbs. Producer Milk (Apr. 25,056,295 and May 25,223,071) 50,279,366

Demand: Lbs. Net Class I Milk (Apr. 18,495,624 and May 21,523,144) 40,018,768

Utilization Percentage: Producer milk divided by Class I 126

Standard Utilization Percentage: Range 134-138 134

Net Deviation Percentage: Utilization minus Standard Utilization Minus 8

Supply-Demand Adjustment: 2 cents x 8 percentage points Plus \$0.16

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

JUNE 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		20,921,299	3.275		
Less Other Source		5,531,604	3.233		
Producer Milk Class I	70.3	15,389,695	3.289474	\$6.169474	\$ 949,463.23
Gross Class II		10,649,220	4.284		
Less Other Source		4,158,365	3.361		
Producer Milk Class II	29.7	6,490,855	4.875922	5.463219	354,609.62
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	21,880,550	3.760093		\$1,304,072.85
Less Fractional Adjustment					.05
Add Value of Overage					596.65
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,515.41
TOTAL VALUE AT TEST		21,880,550	3.760093	\$5.987897	\$1,310,184.86
Less Test over 3.5% @ 8.0¢ per point		21,880,550	.260093	0.208074	45,527.74
TOTAL UTILIZATION VALUE AT 3.5%		21,880,550	3.5	\$5.779823	\$1,264,657.12
Less Reserve Per \$1090.71(f)		21,880,550		.049823	
WEIGHTED AVERAGE PRICE - 3.5% TEST		21,880,550		\$5.73	
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		2,127,326	\$4.39	\$93,389.61	
UNIFORM EXCESS PRICE - 3.5% TEST		2,127,326	\$4.39		\$ 93,389.61
Total Value of Base Milk		19,753,224	\$5.929500		1,171,267.51
Less Producer-Settlement Fund Reserve		19,753,224	.049500		9,777.85
UNIFORM BASE PRICE - 3.5% TEST		19,753,224	\$5.88		\$1,161,489.66

JUNE 1969 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.48	\$3.99	4.0	\$6.28	\$4.79	5.0	\$7.08	\$5.59
3.05	5.52	4.03	4.05	6.32	4.83	5.05	7.12	5.63
3.1	5.56	4.07	4.1	6.36	4.87	5.1	7.16	5.67
3.15	5.60	4.11	4.15	6.40	4.91	5.15	7.20	5.71
3.2	5.64	4.15	4.2	6.44	4.95	5.2	7.24	5.75
3.25	5.68	4.19	4.25	6.48	4.99	5.25	7.28	5.79
3.3	5.72	4.23	4.3	6.52	5.03	5.3	7.32	5.83
3.35	5.76	4.27	4.35	6.56	5.07	5.35	7.36	5.87
3.4	5.80	4.31	4.4	6.60	5.11	5.4	7.40	5.91
3.45	5.84	4.35	4.45	6.64	5.15	5.45	7.44	5.95
3.5	5.88	4.39	4.5	6.68	5.19	5.5	7.48	5.99
3.55	5.92	4.43	4.55	6.72	5.23	5.55	7.52	6.03
3.6	5.96	4.47	4.6	6.76	5.27	5.6	7.56	6.07
3.65	6.00	4.51	4.65	6.80	5.31	5.65	7.60	6.11
3.7	6.04	4.55	4.7	6.84	5.35	5.7	7.64	6.15
3.75	6.08	4.59	4.75	6.88	5.39	5.75	7.68	6.19
3.8	6.12	4.63	4.8	6.92	5.43	5.8	7.72	6.23
3.85	6.16	4.67	4.85	6.96	5.47	5.85	7.76	6.27
3.9	6.20	4.71	4.9	7.00	5.51	5.9	7.80	6.31
3.95	6.24	4.75	4.95	7.04	5.55	5.95	7.84	6.35

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
June '68	\$5.79 2/	\$5.96	\$4.14	8.2¢	\$6.44	8.6¢	\$4.18	7.6¢
July	5.97 2/	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 2/	6.07	4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 2/	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 2/	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	5.73 2/	5.88	4.39	8.0	6.34	8.1	4.39	7.8
July	-	-	-	-	6.50	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi.92 ⁰	Chi.Area	Minn/Wisc	Basic	(Daily Average)			
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk \$-cwt-3.5%	Formula Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
June '68	66.44	22.54	4.18	4.33	432,917	3.40	167,462	4.93
July	66.43	22.77	4.18	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	22.90	4.20	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	22.91	4.23	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	22.95	4.28	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	22.75	4.27	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	22.73	4.30	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80
June	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
June '68	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185
June	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I